

CITY OF NEWPORT

RESOLUTION NO. 3719

APPROVING A RATE STRUCTURE FOR  
THOMPSON'S SANITARY SERVICE, INC.  
FOR SOLID WASTE ,RECYCLING, AND COMPOSTING

Whereas, the City of Newport and Thompson's Sanitary Service, Inc. entered into a solid waste franchise agreement in May of 2007; and

Whereas, Section 12(1)(a) of the May 2007 agreement states that the Franchisee shall charge and collect those rates adopted by the City Council resolution each year; and

Whereas, Section 12(1)(h)(1) of the May 2007 agreement states that the city shall review the report [a rate review report] and, if the city's review of the report indicates that the operating ratio is likely to be less than 85 percent or greater than 91 percent, the franchisee shall implement new rates for the next year. The rates shall provide the franchisee an operating ratio of 88 percent; and

Whereas, The City Council has reviewed Thompson's Sanitary Service, Inc. 2014 Rate Review Report and the operating ratio is 99.12%; and

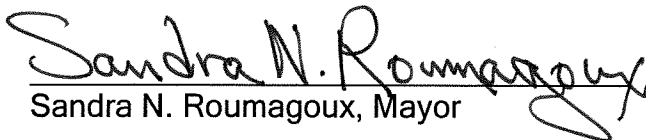
Whereas, the calculated rate to bring Thompson's Sanitary Service, Inc. to an operating ratio 88% would require an increase in rates of 8.63%; and

Whereas, Thompson's Sanitary Service, Inc. had initially reduced the requested increase to 6.18% which would provide an operating ratio of 90.02%, and in consideration of the elimination of expenses for the Agate Beach Closure Fee in accordance with City of Newport Resolution No. 3713 further reduced the request to a 5.80% increase; and

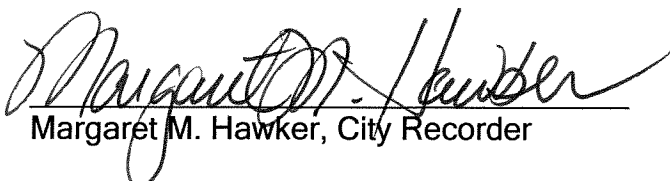
Whereas, notwithstanding provisions for rate adjustments afforded in the May 2007 franchise agreement, Thompson's Sanitary Service, Inc. is requesting and recommending that two thirds of the calculated adjustment be implemented as of July 1, 2015, which will amount to a 3.87% increase in rates, with any remaining adjustments being considered as part of the rate approval process allowed by the Franchise Agreement for the year beginning July 1, 2016.

The City of Newport resolves as follows:

The City Council authorizes a 3.87% increase in solid waste, recycling, and compositing rates effective July 1, 2015, in accordance with Attachment A. titled Thompson's Sanitary Service Proposed Rate Schedule.

  
Sandra N. Roumagoux, Mayor

ATTEST:

  
Margaret M. Hawker, City Recorder